

(Special Council Meeting – Minutes 31/05/2017)

**5. PRESENTATION SAFE HUB; C.E.O SAFA DEVELOPMENT AGENCY; Dr. ROBIN PETERSEN (14/10/R)**

**RESOLVED**

1. That the presentation be referred to the Community Services and Local Economic Development Portfolio Committee scheduled for 14 June 2017

Department: Community service and LED

**Delegated.**

**RES.NO.:353/2017**

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(Special Council Meeting – Minutes 31/05/2017)

**6. COUNCIL MATTERS: FINANCE: 2017/2018 BUDGET AND FORECASTS 2018/2019 – 2019/2020 (5/1/2/1/1)**

**RESOLVED**

1. That the final Operating and Capital Budget for the MTREF 2017/18 to 2019/20 is hereby tabled by the Mayor to Council in terms of section 16(2) of the Municipal Finance Management Act, 56 of 2003.
2. That the draft Operating and Capital Budget for the MTREF 2017/18 to 2019/20 was taken for public participation to all wards within Naledi Local Municipality and that public was invited to make representations in connection with the budget in terms of sections 22 and 23 of the Municipal Finance Management Act, 56 of 2003.
3. That in terms of section 17(3) of the Municipal Finance Management Act, 56 of 2003, the following draft resolution for the final adoption of the annual Operating and Capital Budget for the MTREF 2017/18 to 2019/20 is hereby noted.
4. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Naledi Local Municipality for the financial year 2017/18; and indicative allocations for the two projected outer years 2018/19 and 2019/20; and the multi-year and single year capital appropriations are approved as set-out in the following tables:-
  - 4.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
  - 4.2 Budgeted Financial Performance (revenue and expenditure by Municipal vote);
  - 4.3 Budgeted Financial Performance (revenue by source and expenditure by type); and



- 4.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.
5. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:-
  - 5.1 Budgeted Financial Position;
  - 5.2 Budgeted Cash Flows;
  - 5.3 Cash backed reserves and accumulated surplus reconciliation;
  - 5.4 Asset management; and
  - 5.5 Basic service delivery measurement.
6. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out in annexures D that were used to prepare the estimates of revenue by source, are approved with effect from 01 July 2017.
7. That 2017 / 2018 tariffs be increased as follows:-

7.1	Rates	6.40 %
7.2	Rates Government	0.00%
7.3	Water	6.40 %
7.4	Electricity	1.88 %
7.5	Refuse Removal	6.40 %
7.6	Sewerage	6.40 %
7.7	Other Services	6.40 %
8. That the Municipality increased the rates for state owned properties by 59.90% whilst for the other property categories the increase was 6.60% in 2016/2017 financial year.
9. That given our cash flow challenges for the Municipality, in order to comply with the recommendation of the Department of Cooperative Governance of gradually lowering the rates for state owned property, the Municipality for the budget year of 2017/18 keep the tariff increase at 0.00% as lowering the rates will have detrimental effect on our cash flow.
10. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) is approved.
11. That provision has been made for 7.36% increase in the salaries and wages of employees in terms of SALGA circular 17/2015 of 04 May 2015, while the negotiations are still underway.





12. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are approved.
13. That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are approved.
14. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 4 are approved for the budget year 2017/18.
15. That Gross Monthly Income Amount approved by Council in terms of section 9.1.3 of the Approved Indigent Policy is R2, 300 excluding social grants.
16. That the budget for repairs and maintenance allocation be reviewed during the budget adjustment.
17. That Council note the plan to reduce budget shortfall of which the major problem is high salary bill which takes 41.7% of the total operating expenditure budget which makes it difficult for the Municipality to funds sufficiently other important operation expenditure like repairs and maintenance.
18. That the Municipality must enter in new water service provider contract with the Dr Ruth Segomotsi Mompoti District Municipality.
19. That Council note that in terms of Acknowledgement of Debt and Repayment Plan Agreement signed on 17 February 2017 between the municipality and Eskom, in 2017/2018 Municipality must pay its current account per month, in 2018/19 the payment is for current account monthly plus R49, 500 million towards to the outstanding debt, in 2019/20 and 2020/21 the payment is for current account monthly plus R55, 500 million towards the outstanding debt per year and in 2021/22 the payment is for current account monthly plus R37, 500 million towards outstanding debt per year.
20. That Council acknowledges the 2017/18 Medium Term Revenue Expenditure Framework has a deficit of R 22, 6 million
21. That the Municipality, with the assistance of Provincial Treasury, will identify and implement appropriate measures and strategies to address root causes of the deficit, and to further submit and explain these measures to Council



22. That MFAM circular 82 on cost containment be submitted to Council for adoption and implementation
23. That the Municipality implements the approved cost containment plan and allocate the identified savings towards addressing the deficit and report to Council and Provincial Treasury on a quarterly basis.
24. That the following Councillors registered their descending vote:
  - 24.1 Cllr H L Pretorius
  - 24.2 Cllr E P Renoster
  - 24.3 Cllr S Mustafa
  - 24.4 Cllr J G Brand

Department: Financial Services

**Delegated.**

**RES.NO.:354/2017**

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**7. COUNCIL MATTERS: FINANCE AND ECONOMIC DEVELOPMENT:  
MUNICIPALITY STOP ACCEPTING PERSONAL AND BUSINESS CHEQUES  
FROM CONSUMERS (5/6/3/1)**

**RESOLVED**

1. That no personal or business cheques be accepted from 01 July 2017 from consumers.
2. That only bank guarantee cheques be accepted from consumers.
3. That the following Councillors registered their descending vote:
  - 3.1 Cllr H L Pretorius
  - 3.2 Cllr E P Renoster
  - 3.3 Cllr S Mustafa
  - 3.4 Cllr J G Brand

Department : Budget and Treasury Office

**Delegated**

**RES.NO.:355/2017**

